

Managing Montana

a quarterly electronic newsletter for managers and human resource staff in Montana state government

Unions ratify pay deal with Governor

On November 30, the three largest state employee unions ratified a pay deal with Governor Schweitzer. This agreement now becomes House Bill 13, the “state employee pay bill.” If passed by the legislature, House Bill 13 will set the executive branch’s pay and benefit levels for the 2012-13 biennium and establish similar appropriations for the legislative and judicial branches.



The deal calls for 4% base pay raises – 1% beginning January 2012 and 3% beginning January 2013. Unlike previous negotiated agreements, however, there is no increase in the state’s contribution for employee health insurance.

So, what can we expect in the way of premium increases? We still don’t know. Several factors go into calculating premiums. The biggest driver is the amount of money paid to providers.

According to Russ Hill, Administrator of the Health Care and Benefits Division (HCBD), if we do nothing to control health-care payments, we can anticipate costs increasing 8% to 12% each year. HCBD is developing strategies to limit the growth in health-care costs. Expect to hear more from HCBD about these efforts and what we all can do to help control health-care costs.

The Governor’s pay deal includes two other pieces. First, the Governor agreed to continue funding the Labor Management Training Initiative (LMTI) at its current level – \$75,000 over the biennium. The LMTI supports training for state managers and employees in workplace collaboration and cooperation. The State Office of Labor Relations runs the LMTI and distributes funds throughout the executive branch. The distribution stems largely from the recommendations of an advisory committee of HR officers and bargaining agents.

Second, the Governor agreed to let agency heads decide whether to reinstate pay-structure increases. Before the current biennium, many agencies adopted pay schedules providing employees with regular, smaller pay raises based on such factors as experience in the job, completion of specific training, or market ratio. These are known as “increments,” “individual band placements,” and by other terms unique to each agency’s pay plan.

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In 2009, Governor Schweitzer directed all executive branch agencies to stop pay-structure increases. For the next biennium, unless the legislature says otherwise, agency directors will regain the discretion to reinstate and renegotiate incremental raises. House Bill 13 won't have any additional appropriation for these increases, however there's no guarantee agencies will have the discretionary funds to support pay-structure increases.

If you have any questions about House Bill 13 or the negotiated deal, please contact the State Office of Labor Relations at 444-3871.

DEQ tries different approach in hiring

We broke a few rules – or at least long-standing conventions – in hiring our new Chief Human Resources Officer at the Department of Environmental Quality. We've been aggressively working to overhaul our business processes, and it was time to similarly attack our HR procedures.

It began at a planning meeting with Paula Stoll and Peggy Davis of the State Human Resources Division. DEQ Director Richard Opper and I laid out our expectations for the position – what we saw as priorities and major challenges. Paula and Peggy helped identify attributes critical to meet those expectations. These expectations and attributes formed the basis of:

- a streamlined job profile
- recruitment documents
- screening criteria
- interview questions, and
- reference checks.



*Tom Livers, Deputy Director
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At the planning meeting we also set an overall schedule and blocked our calendars for interviews.

Peggy worked with our HR specialists, Joy Conquergood and Jody Stahl, on recruiting and screening. Joy and Jody started screening applications as they came in, rather than waiting until all 36 were received. This simple change really sped things up. They ensured applicants were basically qualified, then conducted phone screens on the 14 most qualified candidates.

Jody, Joy, and Peggy then conducted six more detailed screening interviews and provided us with three finalists. The final interviews were flexible and conversational, with follow-up questions and discussions that varied with each session.

Each applicant then had the pleasure of participating in a roundtable with about two dozen managers from across the department. This gave the candidates a chance to learn about our diverse agency, and gave more of our folks an opportunity to hear the candidates' views on key HR issues, strategies, and priorities.

Our new Chief Human Resources Officer, James Fehr, is a great addition to DEQ. He has a strong track record in the private sector, and worked with the Department of Revenue for almost a year before

coming here. Prior to hiring James, Revenue had conducted a similar assessment of their expectations and desired attributes.

The approach we took here offers several benefits, so we're replicating it in other department hires. It reduces the rigidity of the hiring process and condenses the time between posting and hiring; both of these improvements help to avoid losing the best candidates. It also makes us articulate precisely what we want in a candidate and stacks the deck for getting that. Finally, it helps us to focus on what's really important in recruitment and selection.

Workforce Planning Task Force finalizes recommendations

In November, the Workforce Planning Task Force reviewed the work of two subcommittees and approved recommendations for key human resource practices in the executive branch. The best practices focus on two areas: (1) recruitment and selection and (2) retention.

Recruitment and Selection

- Best practice boils down good planning: identifying FROM THE START the knowledge, skills, and abilities the individual will need in order to be successful and drive the organization forward. This includes critically assessing requirements for education and experience and identifying alternative means by which candidates may have attained the necessary knowledge, skills, and abilities.
- Agencies should base their recruitment efforts and selection criteria on these characteristics and knowledge requirements. Hire what you need to be successful.
- Agencies should develop their individualized marketing plans around their diversity goals and identified needs (knowledge, skills, and ability).
- State government should centrally market occupations common to all agencies. Vacancies in accounting, finance, HR, administrative support, legal counsel, and other broad categories should have a central location where all are accessible.
- The executive branch should use standardized job descriptions for common occupations, such as accounting, finance, HR, administrative support, legal counsel, and other broad categories.
- Decentralized marketing (marketing for specific, mission-focused jobs) is best left to the agencies. Agencies should incorporate their marketing methods when initially planning to fill a vacancy, as mentioned in best practices.
- The state job website should move from utilitarian functions to marketing "careers" in state government.

Retention

- Department of Administration should develop a statewide policy outlining minimum standards for performance management.
- Department of Administration should develop a Best Practice Guide for performance management. The guide should provide common definitions, process, and practices for designing, implementing, and maintaining performance management in state government.
- Department of Administration should develop a comprehensive training program for all levels of the organization.

The minimum requirements for effective performance management should include the following items:

- Clearly stated vision, mission, goals, and objectives for the agency or employer.
- A hierarchical subset of the agency or employer's goals and objectives for each unit within the agency, such as divisions, bureaus, and work units.
- Specific goals with measurable objectives for each employee in a work unit that tie explicitly to the work unit, bureau, division, and agency goals.
- Employee development plans focused on the agency's current and future needs (succession planning) and the effective use of the employee's strengths.
- Evaluation of employee competencies, including employee behaviors.
- A minimum schedule for completing performance evaluations, such as at least once a year.

PDC offers workshop on investigations

The Professional Development Center (PDC) will offer its one-day workshop, *Investigating Personnel Issues*, on January 19 from 8:30 a.m. to 4:30 p.m. The investment is \$120, and the workshop qualifies for 6.5 CLE credits, as well as POST credit. To register, call 444-3871 or go on-line to pdc.mt.gov/register.mcp.x.



Managers, personnel officers, and other employees can, at any time, get involved with investigating a complaint. The issues are often sensitive, involving sexual harassment, alleged misconduct, and performance with the public, even on-the-job accidents. This workshop explores the need for investigation, methods, interview techniques, documentation, confidentiality, and reporting the results.

Alternative formats...

The State Human Resources Division will make reasonable accommodations to provide an alternative accessible format of this newsletter. If you need an alternative format, please contact the Division at 406-444-3871 or TDD 406- 444-1421.